

**STATE OF ARIZONA**  
**Department of Health Services**

**NOTICE OF REQUEST FOR PROPOSALS**

**ARIZONA DEPARTMENT  
OF HEALTH SERVICES**

1740 West Adams Street  
Phoenix, Arizona 85007  
(602) 542-1040  
(602) 542-1741 Fax

SOLICITATION NUMBER:

**SOLICITATION NUMBER: HP661197**

SOLICITATION DUE DATE/TIME:

**Solicitation Due Date: May 26, 3:00 P.M., MST**

SUBMITTAL LOCATION:

**Arizona Department of Health Services  
Office of Procurement  
1740 West Adams Street, Room 303  
Phoenix, Arizona 85007**

DESCRIPTION:

**Evaluation of the WIC  
Program Funding Formula**

PRE-OFFER CONFERENCE:

May 12, 2006

2:00 P.M.

1740 West Adams Street

RM 309

Phoenix, AZ 85007

Date

Time

Location

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the services specified will be received by the Arizona Department of Health Services at the above specified location, until the time and date cited. Offers received by the correct time and date will be opened and the name of each offeror will be publicly read.

Offers must be in the actual possession of the Arizona Department of Health Services on or prior to the time and date, and at the location indicated above. Late offers will not be considered.

Offers must be submitted in a sealed envelope or package with the Solicitation number and the offeror's name and address clearly indicated on the envelope or package. All offers must be completed in ink or typewritten. Additional instructions for preparing an offer are included in this solicitation.

With 72 hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests are to be addressed to the Solicitation Contact Person named below.

**OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION**

**Solicitation Contact Person:**

**Denise Pawlak**

Name

**602-542-1040**

Telephone Number

Email: pawlakd@azdhs.gov

Procurement Administrator

Date

# UNIFORM INSTRUCTIONS TO OFFERORS

## SOLICITATION NUMBER: HP661197

**1. Definition of Terms.** As used in these Instructions, the terms listed below are defined as follows:

- a. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.
- b. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
- c. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- d. *"Days"* means calendar days unless otherwise specified.
- e. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- f. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- g. *"Offer"* means bid, proposal or quotation.
- h. *"Offeror"* means a vendor who responds to a Solicitation.
- i. *"Procurement Officer"* means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.
- j. *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- k. *"Solicitation Amendment"* means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
- l. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- m. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

**2. Inquiries**

- a. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- b. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
- c. Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- d. Timeliness. Any inquiry shall be submitted as soon as possible and at least seven days before the Offer due date and time. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- e. No Right to Rely on Verbal Responses. Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- f. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
- g. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- h. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

## UNIFORM INSTRUCTIONS TO OFFERORS

### SOLICITATION NUMBER: HP661197

#### 3. Offer Preparation

- a. Forms: No Facsimile or Telegraphic Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- b. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- c. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- d. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically referenced by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
  - i. Invitation for Bids: An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
  - ii. Request for Proposals: All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria as stated in the Solicitation or result in rejection of the Offer.
- e. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- f. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
- g. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- h. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- i. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Price Sheet.
- j. Employee Identification. Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the State under this contract. If the federal identifier of the offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041 A.
- k. Identification of Taxes in Offer. The State of Arizona is subject to all applicable taxes. Offerors shall indicate taxes as a separate item in the Offer.
- l. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- m. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
  - i. Special Terms and Conditions;
  - ii. Uniform Terms and Conditions;

## UNIFORM INSTRUCTIONS TO OFFERORS

### SOLICITATION NUMBER: HP661197

- iii. Statement or Scope of Work;
  - iv. Specifications;
  - v. Attachments;
  - vi. Exhibits;
  - vii. Special Instructions to Offerors;
  - viii. Uniform Instructions to Offerors.
- n. Delivery. Unless stated otherwise in the Solicitation, all prices shall be Freight on Board (F.O.B.) Destination and shall include all delivery and unloading at the destination(s).

#### 4. Submission of Offer

- a. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.
- b. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- c. Public Record. Under applicable law, all Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall stamp as confidential that information and submit a statement with its Offer detailing the reasons that information should not be disclosed. The State shall make a determination on whether the stamped information is confidential pursuant to the Arizona Procurement Code.
- d. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
  - i. It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
  - iii. It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

#### 5. Evaluation

- a. Unit Price Prevails. Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- b. Taxes. Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.
- c. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
- d. Disqualification. The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from public procurement activity shall be rejected.
- e. Evaluation Criteria. Proposals will be evaluated as stated in Special Instructions to Offerors, paragraph 5. Evaluation Criteria.
- f. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred and twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred and twenty (120) days from the Best and Final Offer due date.
- g. Payment. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- h. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
  - i. Waive any minor informality;
  - ii. Reject any and all Offers or portions thereof; or
  - iii. Cancel a Solicitation.

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NUMBER: HP661197</b></p>
---

**6. Award**

- a. Number or Types of Awards. Where applicable, the State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
- b. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- c. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

**7. Protests**

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted there under. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- a. The name, address and telephone number of the protester;
- b. The signature of the protester or its representative;
- c. Identification of the purchasing agency and the Solicitation or Contract number;
- d. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- e. The form of relief requested.

**8. Comments Welcome**

The Enterprise Procurement Services periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, Enterprise Procurement Office, 100 N.15th Avenue, Suite 104, Phoenix, Arizona, 85007.

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO. HP661197</b></p>
---

**1. PRE-OFFER CONFERENCE:**

- a. Prospective offerors are invited to attend a pre-proposal conference. The date, time and location of this conference are indicated below. The purpose of this conference will be to clarify the contents of this request for proposals in order to prevent any misunderstanding of the Department's position. Any doubt as to the requirements of this request for proposals or any apparent omission or discrepancy should be presented to the Department at this conference. The Department will then determine the appropriate action necessary, if any, and may issue a written amendment to the request for proposals. Oral statements or instructions shall not constitute an amendment to this request for proposals.

Conference date: May 12, 2006

Conference time: 2:00 p.m.

Conference location: 1740 West Adams Street, Room 309, Phoenix, AZ 85007

- b. Those who are planning to attend the pre-offer conference should RSVP to Denise Pawlak by email [pawlakd@azdhs.gov](mailto:pawlakd@azdhs.gov) or phone at 602-542-1040 no later than May 10, 2006. It is strongly suggested that the Offerors attend the Pre-Offer Conference.

**2. PROPOSAL REQUIREMENTS:**

**One (1) original and five (5) copies** of each proposal shall be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled "ORIGINAL". The Department will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal. Proposals shall have an index, and tabs for each section. The original, ink signed proposal and each one of the three copies need to be organized in a 1 inch, 3 ring binder, with tabs for each section as indicated below:

- a. Table of Contents.
- b. Offer and Acceptance Form, included in this RFP as an attachment. Complete the top portion of the form and sign by authorized person.
- c. Uniform Terms and Conditions and Special Terms and Conditions, included in this RFP, provide one set with the original proposal only.
- c. Written Task Methodologies, written narrative of the method of approach for each of the tasks.  
**(The Tasks Summary shall not exceed 15 pages)**
- d. Written Executive summary.  
**(The narrative for the Summary shall not exceed 2 pages)**
- e. Offeror's Resumes, Licenses (if applicable) and References.
- g. Price Sheet included in this RFP as an Attachment. Completed Price Sheet.
- h. Scope of Work Notices, Correspondence and Reports section: Provide the required information.
- i. All Amendments. ( if applicable)

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO. HP661197</b></p>
---

**3. WRITTEN EVALUTION REQUIREMENTS:**

- a. **TASKS:** Offeror shall provide Tasks Methodology: a written narrative of the method of approach to be utilized in performance of each of the TASKS in the Scope of Work.
- b. **Executive Summary:** Offeror shall provide a written Executive Summary describing the Offeror's background, qualifications, experience and expertise, current ability to provide services, and knowledge/experience in evaluating funding formulas. Offeror shall have experience with WIC state agency funding and/or modeling of funds distribution to direct service providers.
- c. **Experience and Expertise:** Offeror shall provide resumes (to include information on licenses/certificates, if applicable) of all staff that will be assigned to work on this project. Offeror shall provide three references of prior or current customers who have received similar services from the Offeror, to include the name, phone number, and dates and description of services.
- d. Offeror shall provide firm fixed prices in the spaces provided on the Price Sheet. Prices must include all charges associated with completion of project and delivery of products/services as described herein.

**4. PROPOSAL OPENING:**

Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each Offeror shall be read at this time. After Contract award, the proposals and evaluation documents shall be open for public inspection.

**5. EVALUATION CRITERIA:**

In accordance with A.R.S. § 41-2534, competitive sealed proposals, awards shall be made to the responsible offeror(s) whose proposal(s) is (are) determined in writing to be the most advantageous to the Department based upon the evaluation criteria listed below. The evaluation factors are listed in the relative order of importance.

- a. TASKS Methodology for provision of the services described on Pages 20-21.
- b. Written Executive Summary Requirements for provision of the services described in Paragraph 3 of this page.
- c. Experience and Expertise based on resumes, references.
- d. Cost- Offeror shall provide firm fixed prices in the spaces provided on the Price Sheet. (Page 23) Prices must include all charges associated with completion of project and delivery of products/services as described herein.
- e. Conformance to all other RFP Requirements and Conditions.

**6. WRITTEN QUESTIONS:**

- a. All questions regarding this solicitation shall be submitted in writing no later than ten (10) calendar days prior to the RFP due date to:

Arizona Department of Health Services  
Denise Pawlak, Contract Management Specialist III  
1740 West Adams, Room 303  
Phoenix, Arizona 85007  
Phone No. (602) 542-1043  
Fax No. (602) 542-1741  
E-mail address: pawlakd@azdhs.gov

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO. HP661197</b></p>
---

**7. CONFIDENTIAL INFORMATION:**

If Offeror believes that a proposal contains information that should be withheld, a statement advising the procurement officer of this fact and explaining the reasons for confidentiality shall accompany the submission, and the information shall be so identified wherever it appears. The Offeror shall stamp or specifically identify all information the Offeror believes remains confidential. The information identified by the Offeror as confidential shall not be disclosed until the director makes a written determination. The director shall review the statement and information and shall determine in writing whether the information shall be withheld. If the director determines to disclose the information, the director shall inform the Offeror in writing of such determination.

**8. DISCUSSIONS:**

In accordance with A.R.S. §41-2534, after the initial receipt of proposals, the Department reserves the option to conduct discussions with those offerors who submit proposals determined by the Department to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements regarding the contract and the relative methods of approach for furnishing the required services.

**10. OFFER ACCEPTANCE (120 DAYS):**

In order to allow for an adequate evaluation, the state requires an offer in response to this solicitation to be valid and irrevocable for one hundred and twenty days (120) days after the opening time and date.

**11. FEDERAL IMMIGRATION AND NATIONALITY ACT:**

By submission of the offer, the offeror warrants that both they and all proposed subcontractors are and shall remain in compliance with all federal, state and local immigration laws and regulations relating to the immigration status of their employees. The State may at its sole discretion require evidence of compliance; the offeror shall have 5 days from receipt of the request to supply adequate information. Failure to comply with this instruction or failure to supply requested information within the time frame specified shall result in the offer not being considered for contract award.



# UNIFORM TERMS AND CONDITIONS

## SOLICITATION NO. HP661197

### 1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- A. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- B. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
- C. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- D. *"Contractor"* means any person who has a Contract with the State.
- E. *"Days"* means calendar days unless otherwise specified.
- F. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- G. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- H. *"Offer"* means bid, proposal or quotation.
- I. *"Offeror"* means a vendor who responds to any type of Solicitation.
- J. *"Procurement Officer"* means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or their designee.
- K. *"Solicitation"* means an Invitation for Bids (IFB), a Request for Proposals (RFP), or a Request for Quotations (RFQ).
- L. *"Solicitation Amendment"* means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
- M. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- N. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

### 2. Contract Interpretation

- A. Arizona Law. The law of Arizona applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- B. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- C. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
  - 1. Special Terms and Conditions;
  - 2. Uniform Terms and Conditions;
  - 3. Statement or Scope of Work;
  - 4. Specifications;
  - 5. Attachments;
  - 6. Exhibits;
  - 7. Special Instructions to Offerors;
  - 8. Uniform Instruction to Offerors;
  - 9. Other documents referenced or included in the Solicitation.
- D. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- E. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO. HP661197</b></p>
---

- F. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document.
- G. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
- H. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and /or trade secrets created or conceived pursuant to or as a result of this Contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract shall own (for and on behalf of the State) the entire right, title and interest to the intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by the Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of State of Arizona requesting the issuance of the Contract.

### **3. Contract Administration and Operation**

- A. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records ("records") relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- B. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- C. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- D. Inspection and Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this Contract. The State shall also have the right to test at its own cost the materials to be supplied under this Contract. Neither inspection at the Contractor's facilities nor testing shall constitute final acceptance of the materials. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- E. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
- F. Advertising and Promotion of Contract. The Contractor shall not advertise or publish information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- G. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

### **4. Costs and Payments**

- A. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO. HP661197</b></p>
---

- B. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destinations.
- C. Applicable Taxes.
1. Payment of Taxes by the State. The State shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting Contract.
  2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
  3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
  4. IRS W9 Form. Prior to issuance of a Purchase Order and subsequent payment and/or formal award, the Contractor shall have a completed STATE OF ARIZONA SUBSTITUTE W-9 FORM on file with the State. No payments shall be made until the form is on file. The STATE OF ARIZONA SUBSTITUTE W-9 FORM will be provided to the Contractor at the time of Award and must be completely filled out and returned prior to the start of any project for the State.
  5. Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.
  6. Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funds, the State may take any of the following actions:
    - a) Accept a decrease in price offered by the Contractor;
    - b) Cancel the Contract;
    - c) Cancel the Contract and re-solicit the requirements.

**5. Contract changes**

- A. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- B. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract without the advance written approval of the Procurement Officer. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- C. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

**6. Risk and Liability**

- A. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- B. General Indemnification. To the extent permitted by A.R.S. § 41-621 and § 35-154, the State of Arizona shall be indemnified and held harmless by the Contractor for its vicarious liability as a result of entering into this Contract. Each party to this Contract is responsible for its own negligence.
- C. Indemnification - Patent and Copyright. To the extent permitted by A.R.S. § 41-621 and § 35-154, the Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO. HP661197</b></p>
---

or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.

**D. Force Majeure.**

1. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
2. Force Majeure shall not include the following occurrences:
  - a) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
  - b) Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
  - c) Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

- E. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**7. Warranties**

- A. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens.
- B. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
  1. Of a quality to pass without objection in the trade under the Contract description;
  2. Fit for the intended purposes for which the materials are used;
  3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
  4. Adequately contained, packaged and marked as the Contract may require; and
  5. Conform to the written promises or affirmations of fact made by the Contractor.
- C. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- D. Inspection/Testing. The warranties set forth in subparagraphs A through C of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- E. Year 2000.
  1. Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date- related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the

## UNIFORM TERMS AND CONDITIONS SOLICITATION NO. HP661197

defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.

2. Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.

- F. Exclusions. Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.
- G. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- H. Survival of Rights and Obligations after Contract Expiration or Termination.
  1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
  2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

### 8. State's Contractual Remedies

- A. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions.
- B. Stop Work Order.
  1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for a period of ninety (90) Days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
  2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- C. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- D. Nonconforming Tender. Materials supplied under this Contract shall fully comply with the Contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO. HP661197</b></p>
---

- E. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

**9. Contract Termination**

- A. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- B. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- C. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.
- D. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- E. Termination for Default.
1. In addition to the rights reserved in the Uniform Terms and Conditions, the State reserves the right to terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
  2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
  3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- F. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 10. Contract Claims** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted there under.
- 11. Comments Welcome** The Enterprise Procurement Services periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: The Enterprise Procurement Services, 100 N. 15<sup>th</sup> Ave., Ste. 104, Phoenix, Arizona, 85007.

## **SPECIAL TERMS AND CONDITIONS SOLICITATION HP661197**

**1. PURPOSE:**

Pursuant to provisions of the Arizona Procurement Code, A.R.S. §41-2501 et seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a contract for the materials or services as listed herein.

**2. TERM OF CONTRACT (1 YEAR):**

The term of the resultant contract award shall commence upon signature by the ADHS Procurement Officer and shall remain in effect for twelve (12) months unless terminated, canceled, or extended as otherwise provided herein.

**3. CONTRACT TYPE:**

FIXED PRICE

**4. LICENSES:**

- a. The Contractor shall maintain in current status, all federal, state and local licenses and/or permits required for the operation of the business conducted by the Contractor.

**5. INFORMATION DISCLOSURE:**

- a. The Contractor shall establish and maintain procedures and controls that are acceptable to the state for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the state. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the state.

**6. INDEMNIFICATION CLAUSE:**

Contractor shall indemnify, defend, save and hold harmless the State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the Contractor or sub-contractor(s) are an agency, board, commission or university of the State of Arizona.

## SPECIAL TERMS AND CONDITIONS SOLICITATION HP661197

### 7. INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**  
Policy shall include bodily injury, property damage and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Blanket Contractual Liability – Written and Oral	\$1,000,000

  - a. The policy shall be endorsed to include the following additional insured language: "The State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".
  - b. Policy shall contain a waiver of subrogation against the State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by the Contractor.
2. **Automobile Liability**  
Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$1,000,000
-----------------------------	-------------

The policy shall be endorsed to include the following additional insured language: "The State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor."
3. **Worker's Compensation and Employers' Liability**  
Workers' Compensation Statutory  
Employers' Liability

Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

  - a. Policy shall contain a waiver of subrogation against the State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by the Contractor.



## SPECIAL TERMS AND CONDITIONS

### SOLICITATION HP661197

- b. This requirement shall not apply to: Separately, EACH Contractor or subcontractor exempt under A.R.S. 23-901, AND when such Contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

4. Professional Liability (Errors and Omissions Liability)
- |                  |             |
|------------------|-------------|
| Each Claim       | \$1,000,000 |
| Annual Aggregate | \$2,000,000 |
- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. Policy shall contain a waiver of subrogation against the State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by the Contractor.
- c. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

- B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

- C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after fifteen (15) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to Arizona Department of Health Service, Karen Boswell, CPM, Procurement Administrator, 1740 W. Adams, Room 303, Phoenix, Arizona 85007 and shall be sent by certified mail, return receipt requested.

- D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

- E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be sent directly to Arizona Department of Health Service, Denise Pawlak, Contract Management Specialist III, 1740 W. Adams, Room 303, Phoenix, Arizona 85007. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.

## **SPECIAL TERMS AND CONDITIONS SOLICITATION HP661197**

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insured's under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In The event the Contractor or sub-contractor(s) are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Contractor or sub-contractor(s) are a State of Arizona agency, board, commission, or university then none of the above shall apply.

### **8. OTHER CONTRACTS:**

The agency may undertake or award other Contracts for additional or related work and the Contractor shall fully cooperate with such other Contractors and state employees and carefully fit his own work to such additional work. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other Contractor or by state employees. The agency shall equitably enforce this section as to all Contractors, to prevent the imposition of unreasonable burdens on any contractor.

### **9. FINANCIAL MANAGEMENT:**

For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of contract funds and by the Department when performing a contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these Contract services shall be accounted for in a separate fund.

### **10. FINANCIAL REQUIREMENTS:**

Contractors receiving federal funds under this contract shall comply with the certified finance and compliance audit provisions of the Office of Management and Budget (OMB) Circular A-133, if applicable. Contractors receiving state funds under this contract shall comply with the certified compliance provisions of A.R.S. 35-181.03.

### **11. VOLUME OF WORK:**

The Arizona Department of Health Services does not guarantee a specific amount of work either for the life of the contract or on an annual basis.

### **12. HIPPA REQUIREMENTS:**

The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the contract so that both the ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADHS privacy Officer and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the ADHS and Contractor in compliance with HIPAA, including but not limited to, Agreements and Confidential Data Disclosure Agreement or other related agreements.

## **SPECIAL TERMS AND CONDITIONS SOLICITATION HP661197**

If requested by the ADHS, Contractor agrees to sign the "Arizona Department of Health Services Pledge to Protect Confidential Information (Confidentiality Statement) and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other sensitive information. In addition, Contractor agrees to attend or participate in HIPAA training offered by the ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: 1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and 2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADHS HIPAA Compliance Officer.

### **13. OFFSHORE PERFORMANCE OF WORK PROHIBITED:**

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly service the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

### **14. ADJUSTMENTS TO PAYMENT:**

If the contractor is in any manner in default in the performance of any obligation under this contract, the issuing agency may, at its option and in addition to other remedies, adjust or withhold payment until satisfactory resolution of the default. The contractor shall have the right to written notice of the issuing agency's action in adjusting or withholding payment. Under no circumstances shall the issuing agency authorize payment to the contractor that exceeds the amount specified in this contract without an approved, written amendment to this contract. The issuing agency may, at its option, withhold all payment for any task order under this contract until it has received all final reports and deliverables required by the task order.

### **15. FEDERAL IMMIGRATION AND NATIONALITY ACT:**

The contractor(s) shall remain in compliance with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor(s) shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor(s) and/or any subcontractor(s) be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspensions of work, cancellation of the contract and suspension and/or debarment of the contractor.

### **16. AUTHORIZATION FOR PROVISIONS OF SERVICES**

Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this contract.

# SCOPE OF WORK

## SOLICITATION HP661197

### WIC Program for Evaluation of Funding Formula

#### I. BACKGROUND

The Arizona Department of Health Services (ADHS) Office of Chronic Disease Prevention and Nutrition Services administers funds provided by the United States Department of Agriculture (USDA) for operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The goal of the program is to provide supplemental foods and nutrition education to serve as an adjunct to good health care during critical times of growth and development. To attain this goal, the WIC Program provides nutrition education, free nutrition assessment, breastfeeding support, referrals to other medical and health care services, and access to healthy foods. The WIC Program serves eligible women who are pregnant, breastfeeding, or postpartum. The program also serves infants less than one year of age and children up to five years old. As of December 2006, the Arizona WIC Program had an average participation of 153,246.

The ADHS WIC Program provides these services by contracting with 20 local agencies (13 county health departments, 6 community health centers, and one tribal health program) to screen, enroll, and issue food instruments to eligible women, infants and children

The WIC Funding formula is a complex management/financial tool used to appropriate federal funding to each of the WIC State Agencies. Federal Regulations require each State Agency to develop and utilize a funding formula for allocation of resources to its direct services providers.

The Arizona WIC Program has utilized a modified national formula approach (banded caseload distribution) for the past eight (8) years to determine the funding levels of its direct service providers based upon their assigned caseload and taking into consideration their needs for communications support of the WIC automation system.

The program wants to improve its formula, and evaluate its methodology to determine if additional factors need to be considered to achieve the desired results. Special grant funding is being provided by the Food and Nutrition Services, USDA, to achieve this goal, and the program would like to utilize the services of an experienced consultant who has worked with other WIC State agencies to assess our funding formula, and revise its design to meet current and future program goals/ needs such as the value enhanced nutrition assessment model.

#### II. OBJECTIVE

To evaluate the current WIC funding formulas and make recommendations for improvements in order to ensure the most efficient and effective use of available program funds.

#### III. SCOPE OF SERVICE

Conduct a comprehensive review of the federal funding formula and the current funding formula utilized by the Arizona WIC Program and other State WIC Programs; formulate and present specific recommendations for a new or modified funding formula; recommend revisions to the current funding formula or implementation of a new funding formula; perform an analysis on the previous three years allocations utilizing the new formula; develop and provide training to ADHS WIC Program staff; and provide follow-up technical assistance during the implementation of the new formula.

#### IV. TASKS

The Contractor shall:

- Conduct a comprehensive review of the federal WIC funding formula, Arizona's current funding formula, and the funding formulas in use in other WIC state agencies (provided by ADHS). Background information can be found in 7 CFR (Code of Federal Regulations) Part 246.

## **SCOPE OF WORK**

### **SOLICITATION HP661197**

- Evaluate the current Arizona WIC process for allocating funds to Arizona WIC Program local agencies.
- Develop modifications to the current funding formula or develop a new funding formula for the Arizona WIC Program. Factors to be considered for accommodation in the formula shall include, but are not limited to, potentially eligible population in the geographic area served, and data communication costs for connection of local clinics to the AIM data system. The revised or new funding formula should be constructed to ensure that each local agency receives the most appropriate allocation of funds.
- Prepare and submit Preliminary Findings, including but not limited to: summary of activities to date, ideas regarding modifications to the current funding formula or implementation of a new funding formula for the Arizona WIC Program, other areas that need to be addressed.
- Formulate and submit a specific Recommendation for modifications to the current funding formula or implementation of a new funding formula for the Arizona WIC Program.
- Utilizing the approved recommendation (formula), perform an Analysis on the previous three federal Fiscal Year's (October 2003 through September 30, 2005) allocations to model the impact and assist the WIC staff in their analysis of the effect of utilizing the new formula. Submit the Analysis with the Recommendation.
- Upon ADHS approval of a new funding formula, develop a Training Program in the implementation of the new formula. The training shall provide a detailed explanation of the formula with the goal of increasing the knowledge and skill of staff in properly utilizing the new formula.
- Using the ADHS approved Training Program, provide training in the implementation of the final approved formula to ADHS WIC staff. Training shall be completed by September 30, 2006.
- Provide follow-up technical assistance to ADHS WIC staff during the implementation of the new formula.
- Prepare and submit a Final Comprehensive Report that summarizes the Contractor's activities, including but not limited to: details of the new funding formula, details of the Training Program, implementation of the new funding formula.
- Prepare and submit invoices in accordance with the Contract Price Sheet.

#### **V. REQUIREMENTS**

- Contractor shall have experience with WIC State agency funding and/or modeling of funds distribution to direct service providers
- Contractor shall submit copies of applicable licenses and certifications to ADHS within ten (10) days of contract award.
- Contractor shall submit Certificate of Liability Insurance coverage within ten (10) days of contract award. ADHS shall be named on the certificate as an additional insured. The contract number shall be identified on the certificate.

#### **VI. REFERENCE DOCUMENTS**

- 7 CFR Part 246 available at [http://www.access.gpo.gov/nara/cfr/waisidx\\_05/7cfr246\\_05.html](http://www.access.gpo.gov/nara/cfr/waisidx_05/7cfr246_05.html)

#### **VII. STATE PROVIDED ITEMS**

- USDA funding formula

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION HP661197</b></p>
--

- Required State WIC funding formulas
- Current ADHS funding formula

**VII. APPROVALS**

- ADHS must approve the Recommendation for the new funding formula prior to training development
- ADHS must approve the Training Program prior to use

**VIII. DELIVERABLES**

- Preliminary Findings, due no later than July 15, 2006.
- Recommendation, and Analysis, due no later than August 15, 2006.
- Training Program, due no later than August 31, 2006.
- Final Comprehensive Report, due no later than November 15, 2006.

**IX. NOTICES, CORRESPONDENCE, AND REPORTS**

Notices, correspondence, reports and invoices from the contractor to ADHS shall be sent to:

Nutrition Programs Manager  
Office of Chronic Disease Prevention and Nutrition Services  
150 North 18<sup>th</sup> Avenue, Suite 310  
Phoenix, Arizona 85007

Notices, correspondence, and reports (and payments if sent to same address) from ADHS to the contractor shall be sent to:

Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

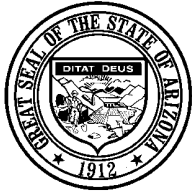
Payments from ADHS to the contractor shall be sent to: (only use this section if address is different from above)

<p align="center"><b>PRICE SHEET</b>  <b>SOLICITATION HP661197</b></p>
--

**PRICE SHEET**

<b>DELIVERABLE</b>	<b>TOTAL</b>
Preliminary Findings	\$
Recommendation and Analysis	\$
Training Program	\$
Final Comprehensive Report	\$
<b>TOTAL</b>	<b>\$</b>

Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this contract.



## OFFER AND ACCEPTANCE

**Solicitation Number: HP661197**

**ARIZONA DEPARTMENT  
OF HEALTH SERVICES**

1740 West Adams Street  
Phoenix, Arizona 85007  
(602) 542-1040  
(602) 542-1741 Fax

Submit this form with an original signature to the:

**Arizona Department of Health Services  
Office of Procurement  
1740 West Adams, Room 303  
Phoenix, Arizona 85007**

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.

Arizona Transaction (Sales) Privilege Tax License No:

For Clarification of this Offer, Contact:

Federal Employer Identification No:

Name:

Telephone: \_\_\_\_\_

FAX: \_\_\_\_\_

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City, State, ZIP Code

Title

---

---

### OFFER ACCEPTANCE AND CONTRACT AWARD (For State of Arizona Use Only)

---

---

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number:

HP661197-


**The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.**

State of Arizona

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
PROCUREMENT OFFICER



	<p><b>Sample of</b></p> <p><b>CERTIFICATE OF INSURANCE</b></p>	<p><b>ARIZONA DEPARTMENT OF HEALTH SERVICES</b>          1740 W. Adams, Room 303          Phoenix, Arizona 85007          (602) 542-1040          (602) 542-1741 Fax          ATTN: Denise Pawlak</p>
<p><b>Solicitation No: HP</b></p>		
<p>PRIOR TO COMMENCING SERVICES UNDER THIS CONTRACT, THE CONTRACTOR MUST FURNISH THE DEPARTMENT, CERTIFICATION FROM INSURER (S) FOR COVERAGES IN THE MINIMUM AMOUNTS AS STATED BELOW, THE COVERAGES SHALL BE MAINTAINED IN FULL FORCE AND EFFECT DURING THE TERM OF THIS CONTRACT, AND SHALL NOT SERVE TO LIMIT ANY LIABILITIES OR ANY OTHER CONTRACTOR OBLIGATIONS</p>		
NAME AND ADDRESS OF INSURANCE AGENCY	<b>A</b>	COMPANY LETTER
	<b>B</b>	COMPANIES AFFORDING COVERAGE
	<b>C</b>	
Name And Address of Insured	<b>D</b>	
<p>This is to certify that the policies of insurance listed below have been issued to the insured named above and are in force at this time</p>		
Company Letter	Type of Insurance	Policy Number
		Policy Expiration Date
		Limits of Liability Minimum – Each Occurrence
	<input checked="" type="checkbox"/> Comprehensive General Liability <input type="checkbox"/> Premises Operations <input type="checkbox"/> Contractual <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Personal Injury <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Explosion & Collapse (If Applicable) <input type="checkbox"/> Underground Hazard (If Applicable)	
		Bodily Injury Per Person Each Occurrence Property Damage OR Bodily Injury AND Property Damage Combined
	<input type="checkbox"/> Comprehensive Auto Liability Including Non-Owned (If	
	<input type="checkbox"/> Umbrella Liability	
	<input checked="" type="checkbox"/> Workmen's Compensation and Employer's Liability	
	<input type="checkbox"/> Other	
State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.		It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the State without thirty (30) days written notice to the State. THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE INSURANCE COMPANY.
Name and Address of Certificate Holder:		
Date Issued _____		
_____ Authorized Representative		